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**FISCAL IMPACT STATEMENT**

**LS 7056**

**BILL NUMBER:** HB 1350

**NOTE PREPARED:** Jan 6, 2012

**BILL AMENDED:**

**SUBJECT:** RITE program grants.

**FIRST AUTHOR:** Rep. Dodge

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** X GENERAL  
DEDICATED  
FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** This bill provides that the Department of Education shall develop the Rewarding Innovation, Technology, and Excellence Program (RITE) to provide grants rewarding schools that have exhibited improvement toward benchmarks established by the State Board of Education.

The bill provides that a school corporation that applies for a grant under the RITE program must demonstrate how the school corporation's: (1) innovation; (2) use of technology; or (3) other efforts to achieve excellence; have led to improvement in meeting the benchmarks.

The bill specifies that grants under the RITE program must be made from the Innovation Fund. It provides that the amounts necessary to make grants under the RITE program are appropriated from the Innovation Fund.

The bill provides that a school corporation receiving a grant under the RITE program must match the grant at a rate that is at least one dollar of local money for each one dollar granted to the school corporation. It limits the total amount of all grants that may be made to a particular school corporation under the RITE program to \$50,000. The bill limits the total amount of all grants that may be made to all school corporations under the RITE program for all state fiscal years to \$1,000,000.

**Effective Date:** July 1, 2012.

**Explanation of State Expenditures:** The bill would allow Department of Education to make grants to reward schools that have made progress toward the benchmarks established by the State Board of Education. The grants are paid from the Innovation Fund. The maximum expenditure from the fund for the RITE

program is \$1 M for all fiscal years.

The maximum grant to a school corporation is \$50,000 for all fiscal years. Local units are required to match the state grants dollar for dollar. The local match may include money from the school corporation, a public school foundation, a community foundation, or any other private source.

*Background:* HEA 1001-2011 (the budget bill) appropriated \$2.5 M annually for FY 2012 and FY2013 to the Innovation Fund.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** *See Explanation of State Expenditures.*

**State Agencies Affected:** Department of Education.

**Local Agencies Affected:** Local Schools.

**Information Sources:**

**Fiscal Analyst:** Chuck Mayfield, 317-232-4825.